

## Message Text

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PAGE 01 PRAGUE 00071 141426Z

41

ACTION EUR-25

INFO OCT-01 ISO-00 L-03 H-03 SS-20 NSC-10 PRS-01 ABF-01

STR-08 AID-20 CIAE-00 COME-00 EB-11 FRB-02 INR-10

NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12 SPC-03 CIEP-02

OMB-01 FCSC-01 DRC-01 /143 W  
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R 141145Z JAN 74

FM AMEMBASSY PRAGUE

TO SECSTATE WASHDC 5622

C O N F I D E N T I A L PRAGUE 71

E.O. 11652: GDS

TAGS: PFOR, EFIN, CZ, L/C

SUBJECT: CLAIMS NEGOTIATIONS--PAYMENTS AND MFN

REF: PRAGUE 70

1. IN INFORMAL DISCUSSION FOLLOWING JANUARY 11 SESSION, CZECH DEL CHAIRMAN ZANTOVSKY REITERATED STATEMENT THAT QUESTION OF ASSURANCE AGAINST CONTINUATION OF PAYMENTS UNDER CLAIMS AGREEMENT IN ABSENCE OF MFN IS IMPORTANT ONE FOR CZECHS. HE SAID THAT DRAFT HE HAD HANDED OVER WAS EXPRESSION OF CZECH IDEA OF SOLUTION WHICH WE COULD DISCUSS. HE REFERRED TO PROVISIONS OF US-HUNGARIAN AGREEMENT (OF WHICH CZECHS HAVE LONG BEEN AWARE) AND SAID THAT PEOPLE IN FINANCE AND FOREIGN TRADE MINISTRIES ARE NOT HAPPY WITH THAT LANGUAGE, WHICH DOES NOT SPECIFY THAT PAYMENTS WOULD CEASE IF MFN IS NOT GRANTED BY CERTAIN TIME.

2. ZANTOVSKY SAID THAT HE IS FULLY AWARE OF CONSIDERATIONS AFFECTING FUTURE GRANT OF MFN TO CZECHOSLOVAKIA AND OF ADMINISTRATION'S POSITION ON MFN. HE ADDED THAT CZECHS ARE PREPARED TO WAIT, AND TO WORK TO EXPAND TRADE IN MEANTIME. HE NOTED ALSO THAT CZECHS HAD PROPOSED COMMERCIAL TALKS AS DISTINCT FROM FINANCIAL NEGOTIATIONS.

3. WHILE CZECHS SEEM ANXIOUS NOT TO MAKE ISSUE OF CONNECTION BETWEEN CLAIMS PAYMENTS AND MFN, THEY UNDOUBTEDLY WOULD EXPECT  
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PAGE 02 PRAGUE 00071 141426Z

AN ARRANGEMENT NO LESS FAVORABLE THAN THAT GRANTED HUNGARIANS.

IN ABSENCE OF INSTRUCTIONS IN REACTION TO CZECH DRAFT, WE  
PLAN TO PERSIST IN REJECTION OF ITS TERMS. WE WILL, HOWEVER,  
STOP SHORT OF TAKING POSITION WHICH WOULD REJECT HUNGARIAN-  
TYPE ARRANGEMENT WITHOUT EXPLICITLY INDICATING FOR TIME  
BEING THAT IT IS AVAILABLE.

WORTZEL

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** AGREEMENT DRAFT, FOREIGN POLICY POSITION, DEBT AGREEMENTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 14 JAN 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** boyleja  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974PRAGUE00071  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** n/a  
**From:** PRAGUE  
**Handling Restrictions:** n/a  
**Image Path:**  
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**Office:** ACTION EUR  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:**  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** PRAGUE 70  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** boyleja  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 16 APR 2002  
**Review Event:**  
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30 JUN 2005

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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** CLAIMS NEGOTIATIONS--PAYMENTS AND MFN  
**TAGS:** PFOR, EFIN, CZ, US  
**To:** STATE  
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